

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1802 - SB 1996

February 7, 2014

SUMMARY OF BILL: Prohibits the Department of Revenue from collecting any fee from counties and municipalities from the tax proceeds remitted by counties or municipalities, and from deducting or retaining any fee from state-shared tax revenues or other tax revenues distributed by the state to counties and municipalities.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue –

\$4,517,200/FY13-14/Department of Revenue

\$28,027,400/FY14-15 and Subsequent Years/Department of Revenue

Increase Local Revenue – \$4,517,200/FY13-14

\$28,027,400/FY14-15 and Subsequent Years

Assumptions:

- According to the Department of Revenue, the Department received \$26,158,507 in FY12-13 in administrative fees for collecting taxes and fees for counties and municipalities.
- Based on anticipated growth in collections for these taxes, the Department estimates that it will receive \$27,103,164 in FY13-14 and \$28,027,446 in FY14-15. The collections in subsequent years are assumed to remain constant.
- The bill will become effective May 1, 2014, and will therefore impact collections for two months in FY13-14. As a result, the decrease in state revenue and a corresponding increase in local revenue in FY13-14 are estimated to be \$4,517,194 [$\$27,103,164 \times (2/12)$]. The recurring decrease in state revenue and the corresponding recurring increase in local revenue, beginning with FY14-15, are estimated to be \$28,027,446.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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